

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Application of)	
)	
PUBLIC UTILITIES COMMISSION)	DOCKET NO. 2008-0273
)	
Instituting a Proceeding to Investigate the)	
Implementation of Feed-in Tariffs.)	
)	
_____)	

**TAWHIRI POWER LLC'S DISCLOSURES RE:
ORDER ESTABLISHING HEARING PROCEDURES;**

EXHIBIT "I";

AND

CERTIFICATE OF SERVICE

FILED
2009 APR -6 A 10:25
PUBLIC UTILITIES
COMMISSION

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**TAWHIRI POWER LLC'S DISCLOSURES RE:
ORDER ESTABLISHING HEARING PROCEDURES**

TO THE HONORABLE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII:

Pursuant to the Hawaii Public Utilities Commission's (the "Commission") Order Establishing Hearing Procedures filed herein on April 1, 2009 ("Hearing Procedures Order"), TAWHIRI POWER LLC ("TPL") hereby submits to the Commission the following:

I. DECISION ITEMS FOR THE COMMISSION:

Attached hereto as Exhibit "I" and made apart hereof is TPL's proposal to supplement the decision items to be made by the Commission as set forth in Exhibit "A" attached to the Hearings Procedure Order as part of the Panel Hearing to be held herein scheduled for April 13 – 17, 2009 ("TPL's Supplement"). TPL's Supplement was prepared by Dr. Mohamed El-Gasseir. As previously noted by TPL, Dr. El-Gasseir is its consultant with extensive experience and knowledge in regards to: (1) the HECO systems; (2) electric industry restructuring; (3) stranded assets, revenue dynamics and rate stability issues; (4) renewable energy economics; (5) distributed resources planning; (6) self-generation assessment; and (7) integrated resource planning. These areas of expertise are part of the knowledge base essential for consideration of

feed-in tariffs. Furthermore, Dr. El-Gasseir has advised regulatory and planning commissions for the States of California, New York, Connecticut, New Jersey, and Nevada. He has also been engaged by many utilities, including some of the largest investor-owned companies such as Con Edison of New York, Commonwealth Edison of Chicago, Pacific Gas & Electric Company, Detroit Edison, Southern Energy, and British Columbia Hydro (to name a few).

II. IDENTIFICATION OF EXPERT WITNESSES:

Depending upon the disclosures by the other Intervenor herein with respect to their Expert Witnesses for the eight (8) Panels set forth in the Hearings Procedure Order ("Panels"), TPL identifies the following Expert Witnesses:

A. DR. MOHAMED EL-GASSEIR. Dr. El-Gasseir will appear as TPL's Expert Witness with respect to some of the Panels depending upon his availability and scheduling of the Panels. However, due to a prior engagement scheduled for April 13, 2009 in New York, Dr. El-Gasseir will not be in attendance for the Panels until April 15, 2009. Therefore, the Commission is respectfully requested to permit Dr. El-Gasseir to present TPL's "Proposed Solution for the Curtailment Issues As It Relates to the Unintended Consequences of Project Feed-In Tariffs" and TPL's Supplement on or after April 15, 2009.

B. HARRISON K. CLARK. Mr. Clark is TPL's Expert Witness with respect to some of the Panels depending upon his availability and scheduling of the Panels. Secondly, Mr. Clark's areas of expertise are: (a) Reactive Power Planning & Operation (Undervoltage Load Shedding); (b) Voltage & Angular Stability (Simulation Load Modeling); (c) Transmission

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Planning (Criteria Development); and (d) Blackout Analysis (Blackout Risk Assessment).

Finally, Mr. Clark's qualifications and published works may be viewed at www.hkclark.com.

DATED: Honolulu, Hawaii, April 6, 2009.



Attorney for Tawhiri Power LLC

Proposed Modification of the Scope and Schedule of the Feed-in Tariff Hearing

Prepared on Behalf of Tawhiri Power, LLC

By Mohamed M. El-Gasseir, Ph.D.

April 6, 2009

In its April 1, 2009 order, the Public Utilities Commission (PUC) of Hawaii set up the scope and schedule for holding a Docket 2008-0273 hearing in the matter of investigating the establishment of a Feed-in Tariff (FiT) for the State of Hawaii. The said order requested comments by interested parties on the questions and decisions that the PUC should consider. Tawhiri Power LLC (PLC) hereby presents its comments and recommendations for a more effective proceeding. PLC suggests modifying the scope of the Panel VIII deliberations by adding one more topic for consideration as well as reorganization of the order of the panel sessions. The subject area to be added involves consideration of the role of the Islands' grids and henceforth of the HECO Companies as the State's economy transitions through and beyond the goals of HCEI Agreement, and of present and future RPS programs. One must consider the end state to be reached through effective FiT and other renewable development mechanisms before questions of cost controls and reasonableness can be addressed.

Since the Commission is contemplating a truly paradigm shift in how future Hawaiians would be fueling their economy, there is need for consolidation of some of the issues identified in the order with other essential questions into the proposed topic addition.

1. Modification of the Scope of Panel VIII Deliberations

The scope the PUC has outlined in the April 1 order covers most of the issues that must be dealt in Docket 2008-0273. The missing subject matter that the PUC should consider adding to the Panel VIII deliberations is a focused examination of the technical, economic and institutional conditions under which the current grid systems can quickly and efficiently evolve through a transition to a renewables-driven economy. The 40% and 70% renewables penetration targets for the electricity and energy sectors, respectively, imply monumental paradigm shifts and complex transitions for the Islands' electricity and energy customers, the HECO Companies, and the State and local economies. By starting with this issue, the panel can ponder the cost containment issues more effectively. Moreover, such policy-level deliberation will be essential to providing proper guidance to future investigations of renewable energy development.

The specific questions we propose adding under Panel VIII encompass the following issues:

1. Will new state and/or federal public policy goals exceed the 40% and 70% targets of the HCEI Agreement for Hawaii?

2. What is the end state when Hawaii would be considered to have achieved its current and anticipated policy goals?
3. Can the HECO Companies meet public policy expectations with a status quo strategy that requires renewable resources to accommodate the current generation and transmission (G&T) systems of each island?
4. How can Hawaii transition its grids from the status quo to a future where the opposite is true (i.e., the G&T facilities are used to provide ancillary and delivery services between renewable resources and end users)?
 - a. What are the technical requirements of the desired transformation?
 - b. What are the economic requirements of this transformation?
 - c. How long would it take to complete the transition to the desired end state?
 - d. What should be the role of each HECO Company in the long run and during the transition phase?
5. What are the institutional changes that must be considered to enable Hawaii's transition to a renewables-driven economy?

It should be noted that many of the issues identified in the Commission's order are within the purview of this list of proposed additional questions (for example, see Panels I, II, IV, VI, and VIII menus of issues). This means that Panel VIII will not require much more time than otherwise would be the case. The proposed list of questions consolidates certain scattered issues with questions that have not been raised in the PUC order in a manner designed to: (i) enable more effective deliberation of the cost containment issue; and (ii) facilitate the establishment of a comprehensive framework for formulating a truly robust policy for guiding Hawaii's transition to a renewables-driven economy.

2. Modification of Panel Scheduling

The panels that the Commission is planning to convene on April 13 through 17, 2009 will be deliberating two categories of topics: those that deal with predominantly technical and economic issues and ones that are essentially policy types. The former tends to be more concise, factual and not as open ended as the latter. Moreover, deliberations of policy issues are more likely to benefit from a priori discussions of technical and economic facts. Therefore, TPL recommends that the Commission convene the panels in the order indicated in the following Attachment.

ATTACHMENT

Tpl Proposed Order of Appearance	Panel # Per PUC Order	Panel Topic
1	III	What are the appropriate criteria for eligibility to sell under FiT tariffs?
2	V	What non-rate terms are necessary to make FiTs just and reasonable?
3	VII	What are the appropriate processes for accepting and interconnecting FiT projects?
4	VI	Utility cost recovery: What principles should apply?
5	II	What are the physical limitations on the utility's to purchase renewables?
6	IV	What decisions are necessary to ensure that FiT rates are just and reasonable as required by Hawaii law?
7	I	Given the four existing renewable producer options (Schedule Q, net metering, competitive bid, and non-bid PPAs), what contribution would FiTs make toward achieving Hawaii's renewable energy goals?
8	VIII	If the Commission does approve FiTs, what actions can it take to keep total costs reasonable?

CERTIFICATE OF SERVICE

The foregoing Disclosure Re: Order Establishing Hearing Procedures was served on the date of filing by hand delivery or electronically transmitted to each such Party.

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